



## DEPARTMENT OF COMMERCE

### Submission for OMB Review; Comment Request

The Department of Commerce will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35).

*Agency:* U.S. Census Bureau.

*Title:* Business and Professional Classification Report.

*OMB Control Number:* 0607-0189.

*Form Number(s):* SQ-CLASS.

*Type of Request:* Revision of a currently approved collection.

*Number of Respondents:* 52,000.

*Average Hours Per Response:* 13 minutes.

*Burden Hours:* 11,267.

*Needs and Uses:* The SQ-CLASS report covers employer firms with establishments located in the United States. These firms can be classified in all sectors covered by the Economic Census as defined by the North American Industry Classification System (NAICS). The SQ-CLASS report requests firms to designate their type of business activity, two months of sales or receipts, principle lines of merchandise, whether the firm is owned or owns another establishment, not-for-profit status, wholesale type of operation, inventories, and method of selling for retail and wholesale firms.

The data collected by the SQ-CLASS report are used to update the current business surveys to reflect newly opened establishments. Additionally, establishments sampled during the Economic Census will receive a data collection instrument specifically tailored to their industry based on the classification information obtained by the SQ-CLASS report.

To keep current with rapid changes in the marketplace caused by business births, deaths, and changes in company organization the Census Bureau samples newly assigned Employer Identification Numbers (EINs) obtained from the Internal Revenue Service (IRS). Each EIN can only be selected once for the SQ-CLASS report. Based on information collected on the SQ-CLASS report, EINs meeting the criteria for inclusion in the Census Bureau's current business surveys are eligible for a second phase of sampling. The EINs selected in this second phase of sampling are asked to report annually on the annual retail, wholesale, and service surveys. A subsample of the retail and wholesale EINs are also asked to report on the monthly retail and wholesale surveys. Similarly, a subsample of the service EINs are asked to report on the Quarterly Services Survey.

The Economic Census and current business surveys represent the primary source of facts about the structure and function of the U.S. economy, providing essential information to government and the business community in making sound decisions. This

information helps build the foundation for the calculation of Gross Domestic Product (GDP) and other economic indicators. Crucial to its success are the accuracy and reliability of the Business Register (BR) data, which provides the Economic Census and current business surveys with their establishment lists. The BR is used to identify the set of statistical units that represents an economic data collection's target population, which is defined by a specific reference period and scope. Critical to the quality of information housed in the BR is that each of the statistical units has an accurate industry classification, measure of size, activity status, and physical address assigned to it. The vital information obtained from the SQ-CLASS report is fed back to the BR to represent changes in industries and confirm coverage between the years of the Economic Census.

We are proposing one major change to the collection. The change will be the way the respondent reports their type of business activity. Currently respondents choose the economic sector of their business and then provide a brief description of their business activity. Instead of providing this description, respondents will select their type of business

from a list of business activities based on their response to the question about their economic sector. If the respondent does not see their business activity listed, then they will provide a brief description of their business activity. This is the same methodology that the Census Bureau uses in the Economic Census to assign industry classification.

The SQ-CLASS Survey is used to supplement the other economic surveys at the Census Bureau with business births. At the end of each SQ-CLASS processing quarter, a sample of business births is added to the other economic surveys. The Census Bureau needs to obtain the proper industry classification and a measure of size to be able to properly supplement these other surveys with these births. By including these businesses in the SQ-CLASS survey, we are attempting to assign the proper classification to these establishments to ensure that the correct Economic Census questionnaire is mailed to the business. Certain Economic Census questions are tailored by the industry classification. Data are also used for the Census Bureau's County Business Patterns program, which is conducted on an annual basis.

Although no statistical tables are prepared or published, the outputs of the SQ-CLASS report directly and critically affect the quality of the estimates published for the following surveys:

- Advance Monthly Retail Trade and Food Services Survey (OMB No. 0607-0104)
- Monthly Wholesale Trade Survey (OMB No. 0607-0190)
- Services Annual Survey (OMB No. 0607-0422)
- Annual Retail Trade Survey (OMB No. 0607-0013)
- Annual Wholesale Trade Survey (OMB No. 0607-0195)
- Quarterly Service Survey (OMB No. 0607-0907).

The SQ-CLASS report keeps the sample universe current for the above-mentioned surveys by a process known as second phase sampling. The retail and wholesale EIN units selected in this second sampling are placed on a panel to report on monthly surveys. Additional selected units are included on a panel to report on annual surveys. The other

selected EIN units report on an annual and/or quarterly basis in the survey for which they are selected. Timely coverage of business births by the SQ-CLASS report increases the reliability and relevance of the data for these surveys.

*Affected Public:* Business or other for-profit, Not-for-profit institutions.

*Frequency:* One time.

*Respondent's Obligation:* Mandatory.

*Legal Authority:* Title 13 U.S.C., Sections 131, 182 and 193..

This information collection request may be viewed at [www.reginfo.gov](http://www.reginfo.gov). Follow the instructions to view Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to

OIRA\_Submission@omb.eop.gov or fax to (202)395-5806.

Dated: October 29, 2015

Glenna Mickelson,

Management Analyst, Office of the Chief Information Officer.

**BILLING CODE: 3510-07-P.**

[FR Doc. 2015-28031 Filed: 11/3/2015 8:45 am; Publication Date: 11/4/2015]